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20 Sept. — 1953 Zog's Villa raided.

30 Sept. Zog states: his bank accounts frozen.  
Min. Forn. Affairs gave exit visas but no mention  
of gold or jewels.

3 Oct. Forn. Min. told Caffery Egypt would NOT confiscate gold NOR allow  
export.

6 Oct. Amb. Caffery notifies Zog: Amb. has again spoken to Egyptian  
authorities Zog's behalf. Essential  
that Zog and wife NOT communicate  
directly with Amb. or wife.

3-5 Oct. (State asks Caffery intercede for Zog with Egyptian authorities.  
Caffery discusses with Forn. Min. who says will mention to  
Interior Min. and Vice Premier Nasser).

9 Oct. Contact says: Zog's funds mostly in Bank Misr and house. Bank  
holding gold as security for LE 40,000 advanced to Zog. Bank  
account frozen making debt payment impossible. All other gold and  
jewels at home where inventoried by Fin. Ministry but not seized.  
Zog has Egyptian lawyer Tullis Pegna.  
Tax evasion charge based on 1950 offer sell Zog Ford Distributorship  
(Zog rejected offer but Egyptians believe he silent partner).

10 Oct. Zog states: he entered Port Said with 150,000 gold pieces (now  
reduced to 15,000 and personal jewelry listed and sent Forn. Min.  
with request for exit visas. Zog fears papers seized raid used  
prove he in business.

Press reports Fin. Min. functionary says Int. Min. requested detain  
Zog for income tax purposes.

13 Oct. We ask [ ] reassure Zog for [ ]

16 Oct. Nasser asked why Zog not allowed settle taxes and leave. Nasser  
replied Egyptians had tried collect but Zog denied any due. Stated  
Zog never properly declared gold on arrival therefore could be  
confiscated. On statement Emb. Officer that anti-Zog activities  
might be unpopular in U.S., Nasser suggested (informally) U.S.  
pay Zog in \$ in States, sell gold to Egyptians for LE spending LE  
in Egypt. Nassar did not indicate willingness compromise tax matter.

19 Oct. As of 17 Oct, Zog still unaware charges. On 11 Oct. seized papers  
(1000) scanned and 300 held for further examination. Zog sent  
x-Cairo Min. to Forn. Min. saying Zog must use some of money at home  
to live on, requesting definite statement charges and estimate when  
Zog can leave with property.

22 Oct. Through 21st Forn. Min. refused see X-Min. to Cairo. Except  
notification accounts frozen NO communications ever received from  
official sources. [ ] impression: Zog thinking of compromise.

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- 25 Oct. 19 Oct. Ital Counsellor suggested his government might be justified ~~speaking up~~ speaking up for Zog - May ask Rome.  
21 Oct. Amb. Caffery asked Forn. Min. re Zog. Reply: Zog must pay back taxes says Nasser, Min Fin. and Min. Interior. Amb. Caffery urged restraint. Amb. Caffery told Hollis far as he can go.
- 3 Nov. The 22 Oct. law, Zog and Co. forced register all guns. Contact complied 31 Oct; told return 1 Nov. when ret'd, all arms seized. Contact reports Zog willing settle. Forn. Min. refuses see S-Min.  
Contact says Zog wants out on best available terms.
- 5 Nov. Amb. Caffery reluctant use more pressure since U.S. influence committed on Brit/Israel issues. Has approached Egyptians 5 times. [Egyptians.] does not wish risk its ops make CIA approach to Egyptians.

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